

16 February 1977

MEMORANDUM FOR: Richard Lehman
Deputy to the DCI for National Intelligence

FROM :
Executive Officer, DCI/NI

SUBJECT : The Results of the Semiannual NSC Intelligence Review

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1. Two actions were ordered by the NSC as a result of its review: a joint study by the Intelligence Community and the Attorney General on the latter's guidelines on foreign activities and a joint State-CIA study on covert action (see attachment). Both projects are underway, are due to the President on 1 March 1977, and are apparently the actions that you heard about as CIA follow-up actions to the semiannual review.

2. The IC Staff's report to the NSC that formed the basis of this review was, you will recall, highly critical of national intelligence estimates. The NSC took no note of these criticisms, other than to note that "the President is in agreement with the general satisfaction of the National Security Council with the quality of the intelligence product." This reaction is an implicit denial of the recommendations made by the IC Staff for the improvement of the substantive product.

3. The IC Staff, nevertheless, also made a number of recommendations for DCI action; DCI Bush resigned without taking any action, and neither has ADCI Knoche. The NI staff, therefore, is not under any instructions to respond to the recommendations of the IC Staff's report.

4. For the record, it may be worthwhile to record those actions the IC Staff did recommend that the DCI take. Two recommendations explicitly concerned the NIOs:

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a. Direct the NIOs to incorporate a broader view of possible trends and developments into their country and area estimates, and to develop more effective ways of interrelating the economic, political, military and technical aspects of issues in their major interagency analyses.

Comment: This recommendation, clearly, is a motherhood statement; most NIOs would insist that they have already been following this practice. The IC Staff's recommendation, indeed, is naive to the point that it suggests the Staff was thrashing around for something to say.

b. DCI Action: The DCI will direct the NIOs to solicit users' views in planning the production of NIEs and other interagency papers. The NIOs could borrow from the technique of National Security Study Memorandums (NSSMs), in which intelligence users and producers interact directly on specific topics. Some of the more important NSSMs demonstrated the feasibility of forcing producers to perceive policy issues more broadly and to focus their products on specific user concerns. A more direct and perhaps less cumbersome approach would have the NIOs invite the principal users of major intelligence estimates to participate in drafting terms of reference and provide background briefings to the estimate drafting teams on the principal policy questions pertaining to the area or topic under review.

Comment: This is a recommendation that, in my opinion, the NIOs have observed fastidiously in the wake of the IC Staff's report. I would caution, nevertheless, that we should be most judicious in including estimate recipients in drafting an estimate's terms of reference. The way questions are asked can influence the answers given. We would not wish to lay ourselves open to future charges that, by adhering to this procedure, we allowed policymakers to unduly influence the estimative process.

5. There were six other IC Staff recommendations that at least implicitly instructed the III staff.

a. Informal networks between intelligence analysts and the user community exist in many areas and probably are more productive means of user-producer communications than are purely organizational mechanisms. These networks should be expanded and more systematically exploited to assure effective user-Community communications.

Comment: Another motherhood statement that the NIOs have obviously been implementing all along. Any problems at this time can be found primarily in the Directorate of Intelligence.

b. DCI Action: The DCI will assure the effective functioning of mechanisms for evaluation of major new user requests for national intelligence production to ensure that the desired information is available primarily through intelligence sources and methods. Where requests conflict with recognized priorities, the DCI will emphasize explicit adjustment of priorities, in consultation with appropriate users.

Comment: One cannot be sure just what the IC Staff had in mind. The NI staff has paid more attention in recent months to adjusting priorities when circumstances demanded.

c. Direct analytic components involved in production of national intelligence to produce a larger number of broad, predictive analyses to assess foreign developments that could have a major impact on US interests.

Comment: This was a bad recommendation. We less need broad predictive analyses than we need analyses responsive to the specific needs of policymakers -- e.g., PRMs. We can be happy the recommendation was ignored.

d. Direct production managers in the national intelligence field and request those producing departmental intelligence to consider some reductions in current intelligence and event reporting, while assuring that they will continue to provide quality current intelligence support on a timely basis as needed by users.

Comment: A recommendation that demonstrates the IC Staff's lack of understanding of what sorts of intelligence are required at what points in the life cycle of an administration. The IC Staff should hang its head in shame.

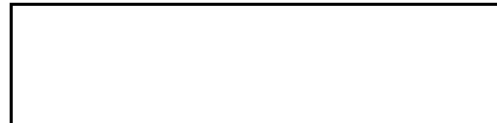
e. Direct production managers involved with national intelligence and encourage production managers dealing with departmental intelligence throughout the Community to adopt procedures or reorganizations to establish integrative, multi-disciplinary analyses on areas and topics of interest.

Comment: Multi-disciplinary analysis again. Would it not have been nicer had they described what it was.

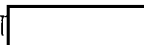
f. DCI Action: The DCI will ensure that all members of the new Cabinet concerned with economic policymaking are briefed on the contributions that intelligence can make in this area and the arrangements for doing so. He will also give early consideration to the recommendations of the EPB report.

Comment: The NIO for Economics has followed this recommendation and would have done what he did with or without it.

6. In sum, we need take no further action as a result of the Semiannual NSC Intelligence Review. The above look at the recommendations the IC Staff made, nevertheless, demonstrates how damaging the review process might have been had it been taken more seriously at the senior levels of the Community and the Executive Branch. Indeed, the IC Staff recommendations must be an incentive for the NI staff to gain a larger measure of control over what the IC Staff can put forward as considered recommendations when, in fact, its recommendations would have us in even more hot water than we already are.



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